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ABSTRACT

A Local Education Fund (LEF) is a third-party, nonprofit entity whose agenda, at least in part, consists of developing supportive community and private sector relationships with a public school system. It provides limited private sector support to launch initiatives and broker relationships leading toward school improvement. LEFs are funded and assisted by the Public Education Fund. This handbook is intended to help communities of diverse size and population to develop LEFs that meet local needs. It explores the following areas basic to the creation, understanding, and support of this new type of community organization: (1) the nature of an LEF; (2) determining need, assessing potential, and convening leadership in the local community; (3) organizing a LEF, its mission, structure, board of directors, bylaws, committees, meetings, staff, and office; (4) the business of an LEF, including brokering, convening, program implementation, small grants, and public information; and (5) funding an LEF. Thirteen steps to organize an LEF are suggested. Black and white photographs illustrate the text. (BJV)

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On December 31, 1987, the Public Education Fund completed its five-year life as a grantmaking and technical assistance organization. On January 1, 1988, the Public Education Fund Network (PEF/NET) began operation. PEF/NET is a project of the Allegheny Conference on Community Development. Its three-year mission is to provide technical assistance and nurture to the 50 grantees of the Public Education Fund and other organizations and individuals interested in exploring and pursuing the local education fund concept and model.

Contents

Introduction

The Nature of a Local Education Fund 2

Looking at Your Community 4
- Determining Need 4
- Assessing Potential 6
- Convening Leadership
- The Steering Committee 6

Organizing a Local Education Fund 8
- Mission 8
- Structure 10
  - Board of Directors 11
    - Bylaws 12
    - Committees 12
    - Meetings 12
  - Staff 13
  - Office 14

The Business of a Local Education Fund 15
- Brokering 15
- Convening 16
- Program Implementation 18
  - Small Grants 18
  - Public Information 19

Funding a Local Education Fund 21

Steps To Organize a Local Education Fund 23

Introduction

In recent years the nation's urban public school systems have become isolated from the communities they serve. Political and financial pressures as well as demographic changes have caused dislocations in these systems at an unexpected rate. Support has declined from business and industry, cultural agencies, institutions of higher education, and parents.

Many urban public schools are in difficulty. These institutions, vitally important to the future of our democratic traditions, have been unable to secure new resources and find ways of enhancing their abilities to educate young people. Teachers with initiative are often not rewarded for their interest and effort. Principals have lost the few unencumbered funds they had for innovative school-based projects. Those with a real stake in the quality of public education, such as business and community leaders, are frustrated in their desire to improve the system.

There are, however, places where one can see a renewed recognition on the part of the private sector that most of this nation's children will be educated in the public school system. In some of those places that recognition has been acted on by civic, community, and corporate leaders to bring about the creation of new, community-based organizations established outside the school system but dedicated to school improvement. Such organizations are called local education funds.

While formal and informal citizens groups that support public education are not new, local education funds are a new model. They are neutral third-party groups that share markedly similar characteristics and are recognizably different from earlier support groups in important ways.

In 1983, the Public Education Fund (PEF) was created to encourage the growth and support of local education funds. A national, nonprofit, grantmaking and technical assistance organization, formed with major support from the Ford Foundation, PEF built on the experience of local education funds in such cities as San Francisco and Pittsburgh. Its five-year mission has been to provide technical assistance and developmental grant support to more than 40 local education funds. Although these funds have been primarily in urban communities with significant minority and low income populations, PEF has also been involved in rural areas.

This handbook, built on PEF's experience and that of the local education funds it has assisted, is intended to help communities of diverse size and population develop local education funds that meet local needs. It explores five areas basic to the creation, understanding, and support of this new type of community organization:

1. The nature of a local education fund
2. Looking at your community
3. Organizing a local education fund
4. The business of a local education fund
5. Funding a local education fund

A Resource Guide, with specific examples that supplement the narrative, accompanies the handbook. A videotape presentation is also available.

The Nature of a Local Education Fund

A Local Education Fund (LEF) is a third-party, nonprofit entity whose agenda, at least in part, consists of developing supportive community and private sector relationships with a public school system. It provides limited private sector support to launch initiatives and broker relationships leading toward school improvement.

This formal definition is expanded by the mission statements included in the Resource Guide and clarified by these goals and objectives drawn from LEFs around the country:

- broaden the constituency of support for public education
- better inform the community about the strengths and challenges of the local public schools
- break down the isolation of public schools from the general community
- restore and build public confidence in the schools
- catalyze initiatives that support and enhance school improvement strategies
- leverage community financial and nonfinancial resources in behalf of local public school districts
- serve as an independent, third-party intermediary in behalf of local public education
- be a liaison between public schools and their many publics, encouraging community and business involvement in a positive and supportive manner

Typically, LEFs have sprung up in places where support for public education has been eroded by a variety of factors:

- school system politics
- public school enrollments that reflect increasingly smaller numbers of households with children in the public schools

- neglect by community leadership over the long term
- demands on the public schools that increase as resources decline
- vagaries of school finance and management

LEFs have several characteristics that distinguish them from other public school support groups.

- They are formed as a vehicle to develop positive community and private sector interest in the school district as a whole.
- They are not situation responsive or single purpose, nor do they duplicate the work of existing PTAs, alumni groups, taxpayer councils, or other education-related organizations.
- They strive from the earliest planning stages to involve the widest range of community interests, including those with no apparent prior interest in public education, in the development and work of the organization.
- They work in collaboration with school systems, institutions of higher learning, private, civic, and governmental sectors and unions, but they are strongly independent of any one system including the school system.
- They offer programs which, though valuable in themselves, act strategically to strengthen the LEF's primary role as a neutral third-party broker and convener of interest in and resources for the schools.
- They are not a temporary or quick fix. The LEF is crafted not as a short-term project but as a long lasting third-party intermediary organization that becomes a significant private partner in support of public education.

These characteristics, which will be addressed throughout the handbook, add to the LEF's strength and potential for longevity.

The LEF's focus on the public school district as a whole, its firm and broad base in the community, and its independence from school district and community politics create a neutral channel for public school support.

The business community, although recognizing its need for educated public school graduates, is often more comfortable channeling its support through a community forum rather than forging independent relationships with the district bureaucracy or with individual schools. A LEF encourages and supports public school involvement by corporate, civic, nonprofit, labor, business, and higher education leaders as well as by parents, administrators, and teachers organizations directly involved in the schools. A successful LEF allows various community segments, including the school district, to come together comfortably in a climate of mutual trust and respect to work cooperatively for the improved education of public school students. By doing that, it strengthens the community.

With all this, a LEF does not broker, convene, and initiate or implement programs in all areas of education. Nor does it act as a gatekeeper or a clearinghouse for all educational programs.

The way in which a LEF is begun is critical to its early success and subsequent survival. The following section describes the circumstances that encourage the formation of a LEF and the process undertaken by those interested in establishing a local education fund.

Looking at Your Community

Determining Need

No two communities are alike. The circumstances that have fueled a local education fund in one place may differ from those in another. In every case, however, there has been local recognition of a need for renewal of the community's interest in its schools and an absence of any collaborative group to bring that about.

If you are considering a LEF, you will recognize some if not all of the negative situations that have been mentioned. Support of the schools from business and industry, institutions of higher education, parents, unions, and the general public has declined since the 1960's. So has belief in public school performance. This has been especially true in urban centers where cities and schools have increasingly lost their middle-class base. Although public schools have remained central to the parents of children enrolled, other taxpayers, especially in the business sector, seem to have lost interest in their future, often expressing concern that they are supporting a system that gives them little.

Added to isolation and lack of public confidence have been significant changes in government support and attitude. Since the very early 1980's, the federal and, in some cases, state governments have delivered the public schools a double blow by increasing performance requirements and scrutiny while withdrawing support from programs critical to urban schools.

The public school situation, and its effect on individuals, institutions, and the nation, was discussed in the early 1980's in a series of reports from, among others, the Education Commission of the States, the Carnegie Foundation for the Advancement of Teaching, and, most visibly, *A Nation At Risk* from the National Commission on Excellence in Education. In addition to criticizing public education, those reports reiterated its importance and called for improvement. In 1985, the business-based Committee on Economic Development (CED), in its publication, *Investing in Our Children*, made a compelling case for improvement from the classroom level up and, thus, for greater local involvement, or investment, in public schools. The CED's 1987 publica-

tion, *Children In Need*, reiterates the public importance of public education and calls for greater private sector involvement in the schools. This attention to the public schools has helped the larger community recognize that it has an important role to play in public school improvement and a vital stake in its accomplishment.

Local education funds have been initiated in cities that have tried to stem the disenchantment with public schools and turn that concern into an opportunity for constructive collaborative action. *The critical point for development has been the recognition that there was no local coalition able to convene leadership from diverse sectors of the community that could marshal private sector interest, involvement, and resources to enhance and complement the public school system.*

That community realization is expressed by these excerpts from a May 1984 proposal from the Center for Educational Development, a local education fund in Rochester, New York.

> The Center for Educational Development (CED) is an independent, not-for-profit organization linking the community with Rochester's city schools. . . .
>
> The Rochester City School District has been grappling with problems that are of great magnitude and long-standing duration. Inadequate financial support to meet the District's needs, a student population that includes 45% requiring remedial assistance and 13% who are handicapped, and a lack of confidence in the District's ability to maintain the quality of its programs due to financial instability are among the major sources of difficulty.
>
> The District's financial problems have many causes. . . .
>
> Ironically, the City School District lies in one of the nation's wealthiest counties. However, the city of Rochester, while including only 34% of the county's population, has 68% of the county residents who live at or below the poverty level, 81% of the county's minority population, and 58% of the educationally handicapped children. In fact, the central city has the highest hardship index in New York State and one of the highest in the nation. . . .
>
> A lack of confidence in the future of our schools pervades the community. People have heard about the program cuts resulting from budget cuts, they note the disproportionately high minority and disadvantaged student populations, and they read articles about city school students' test scores being lower than other students. As a result, city parents send their children to private or suburban schools, especially the bright students. Additionally business representatives state that city students are not developing the skills needed to serve as successful employees. One of the three largest banks in Rochester has very few employees who have graduated from city schools for this reason. . . .
>
> The District's credibility must be restored.

Assessing Potential

Recognizing the need for a consensus-building organization that can effectively convene community leadership to focus on school support and improvement is a critical first step, but translating that recognition into reality is not a quick or easy process.

The goal is to create a new nonprofit organization — or to expand the mission of an existing one — that will survive as a permanent part of the community and represent a positive and helpful interest in the local school district. Building toward that goal takes time and involves careful consideration of many factors, including community climate, resources, and interest; research on local education funds in like areas; and potential leadership. For a LEF to work, key school and civic leaders must want to work together and commit to its mission and long-term purpose.

Someone or some organization must initiate a series of conversations and meetings with key community, private sector, and public school leaders to assess and possibly generate interest in and commitment to the creation of a local education fund. In cities across the country, LEFs have been set in motion by

- a group of high-level business executives
- a local school superintendent
- a local community foundation
- a broad-based civic organization whose agenda included education
- a recognized civic leader
- a chamber of commerce

But there is no one correct person or agency.

The process to this stage is an informal one, a sounding out that usually involves a small core group of community, business, and school leaders. At the point that this group believes that a LEF is desirable, the next step is the creation of a *steering committee*, larger than the core group, broad based, and able to build the necessary interest in and support for a local education fund.

Before moving to that next step, it is important to repeat that *ideally, the LEF is crafted not as a short-term project, but as a neutral third-party intermediary organization that becomes a significant, long-lasting independent partner in support of public education.*

Convening Leadership — The Steering Committee

Consideration of the steering committee's role and functions will help determine the committee's composition. The steering committee's primary responsibilities are to

- **Gather information about other LEFs in similar communities** in order to develop an understanding of organizational structure, programs, and funding to help determine how the LEF can be most helpful in meeting community needs;
- **Do the other feasibility planning** that tests the validity of the general concept with those who may eventually be asked to participate on the board or through funding;
- **Define the LEF's general mission or purpose;**

- **Explore potential initiatives** that will help carry out the mission and provide early visibility and credibility for the LEF;
- **Propose an organizational structure** that includes a governing board, a staff, an office, and a preliminary budget;
- **Develop a preliminary plan of action** for the LEF that includes identifying possible financial resources;
- **Elicit feedback about the plan** from community groups, including business interests, parent groups, cultural and civic institutions, nonprofit organizations, especially those that serve youth, colleges and universities, organized labor, and the school establishment. This process will give broad community exposure to the idea of a LEF and facilitate community acceptance of the LEF once it is formally established.

The steering committee's members should include individuals with a demonstrated interest in the public schools and key leaders in business, labor, civic organizations, and other sectors within the community. It is important that the steering committee represent the diversity within the community — gender, racial, social, and economic — and that the group include individuals who have influence and access to resources, financial and otherwise.

The list of the Grand Rapids Education Fund's steering committee, which is included in the Resource Guide, illustrates the range of community, civic, and professional affiliations that a typical steering committee might comprise.

If a careful preliminary community organizing process is followed, the LEF should arrive on the scene as a broad-based and neutral third party able to link the public schools and the community. The next job is to organize.

Organizing a Local Education Fund

A proper first step for any enterprise is the understanding and articulation of the proposed organization's purpose. It is especially important in the case of a LEF since it is a relatively new and different type of school-support organization. In considering the LEF's purpose, it helps to remember that it serves both the community and the schools.

A LEF IS
- a coalition, collaboration, or partnership that links the schools with the community they serve
- independent of the school district or any one special interest group (if it becomes part of an established organization, that sponsoring group should be broad-based with a wide-ranging civic agenda)
- a broker, convener, catalyst, and lever
- an opportunistic facilitator to help schools do their job better, always open to new ways to achieve that goal

A LEF IS *NOT*
- in the education business
- a shadow school board
- an instrument of the superintendent or the school board
- a source for dollars to replace lost public funds

Mission

As indicated, the general mission of a LEF is to improve the quality of the local public school system by brokering greater community resources for and involvement with the schools and by improving the public's perception of and relationships with the school district. This mission assumes a positive, cooperative relationship with the school system but requires that the LEF achieve a community-based and independent nature.

The mission statements in the Resource Guide show the role of linking the schools and the communities they serve, in order to increase resources, understanding, and involvement, to be paramount. Thus, the strategy of building consensus, broadening the constituency, and promoting relationships will affect the way the LEF is structured, who will be on its board, the type of person who will direct its activities, its location, the programs it should implement and activities it should initiate, and the resources it will need for success.

The decision and agreement that the LEF's role will be that of a neutral, brokering, third party is so crucial to its definition and mission that the steering committee must agree on the concept before considering the LEF's organizational structure. One reason for this is to offset the natural inclination to assume the LEF will relieve the district's financial pressures. It won't. Local schools are primarily supported by state and local taxes, with some federal revenue added. To suggest that public tax-supported institutions need additional private sector resources is a hard sell. Realistically, the community must understand that private support can be generated only to enhance, not to supplant, public money.

It is important to establish clearly the relationship of private sector funds to the schools' general operating budget early in the LEF's development not only because funds seem most effective when strategically deployed within schools to enhance, not supplant, public funding, but also because such strategy determines who sets the LEF's agenda, its collaborative role with the school district, and how the organization is perceived by those outside it.

In thinking things through, the *independent* nature of the relationship between the LEF and the school district requires careful attention.

Successful LEFs are governed by their boards of directors, not by school boards or boards made up primarily of those representing the local school district. The mission, agenda, and financial allocations of the LEF are defined by its board of directors and not by the local educational establishment.

Simply stated, school districts are political institutions, and the LEF must stay out of politics. If the goal is to become a long-term community institution, supportive of the public schools in good and bad times, a LEF cannot be tied to a particular personality or faction.

Nonetheless, it is critical to establish a mutually respectful, cooperative relationship between the LEF and the school district — although that may take time to develop. This is most appropriately and productively done by working through the superintendent, as chief executive officer of the district, rather than through individual school board members. The basic issue is trust. In large urban areas few relationships have developed between the public schools and corporate and community leadership. It is likely that misunderstandings and mistrust exist on all sides. All the more reason to have an independent LEF as a neutral place where these diverse groups can meet and agree on a common, consensual agenda that recognizes the responsibilities and rewards for all parties in a positive future for public education, a place that can become the focal point for constructive dialogue and productive involvement.

Public schools have not traditionally received much philanthropic support, and, as mentioned earlier, a case will have to be made why they need private support and are worthy of it. That case can be developed most effectively and is most likely to be heard if it comes from a broad-based community organization — especially one governed by recognized leaders — whose purpose can be defined unequivocally as improving the quality of local public education rather than promoting the special interest, program, or agenda of one or another community or school board faction.

Structure

Once the nature and mission of the local education fund are defined, the steering committee must structure the organization to achieve its purpose.

In most cases, the steering committee will decide to create a new nonprofit corporation which will need a board of directors, a small staff, and a supportive committee structure.

In some cases a new organization may not be needed. For example, in San Antonio, Texas, there existed Target 90/Goals for San Antonio, a local civic organization whose agenda was sufficiently broad to include interest and commitment to public education. This organization had already established relationships with public schools and had implemented specific school programs.

If there is such an organization in your locality, and it has a broadly representative board of directors, community credibility, and an existing structure, it may be able to include an education fund within its mission.

San Antonio is not the only place where a LEF has successfully fit into an existing organization. In every instance where one has, however, the group has convened an advisory board or committee with the same characteristics as boards of directors of incorporated LEFs and responded to issues of mission, staffing, and program in a consistent manner. The Resource Guide lists LEFs affiliated with civic and community organizations.

Whether the LEF is housed within an existing organization or incorporated separately, its structure — board, staff, committees — is important.

Board of Directors

The first of several things to keep in mind while building a board of directors for a local education fund is that the board will be charged with establishing credibility, making policy, and raising funds. Beyond that, because it is a LEF board, its members should represent the diversity in the community and broaden the organization's constituency. It should include sectors of the community that have little prior interest or involvement in the schools as well as those who have an obvious stake in them. In the former category would be candidates from the business community and from a whole array of local institutions including civic organizations; colleges and universities; youth-oriented agencies; labor, cultural, and religious groups. Consider who makes things move in your town.

In almost all cases, it's wise to ask the chief executive officer or executive director of the business, institution, or organization to participate. That may seem daunting, but they might surprise you with their enthusiasm.

In addition to agency and private sector representation, you will want to consider areas of expertise needed by your board. An attorney, an accountant, a public relations professional can add considerable strength.

The steering committee will have to discuss the size of your LEF board. It should not be a small, elite group. Fifteen to twenty-five seems a reasonable number to meet the organization's needs. The goal is to keep the board small enough to get things done but large enough to assure diversity and involve key actors. It should also be large enough that all board members are not required for everything. As in anything else, burnout is to be avoided.

Once the steering committee decides whom it wants on the board, it has to recruit them. Some steering committee members are likely to be board candidates. Given their initial interest in the LEF and their position in the community, they will add strength and continuity. Steering committee members can also form the board recruiting team and are likely to be the incorporators as the legal process of formally organizing the LEF begins.

For board candidates not on the steering committee, it is best to ask a peer to recruit. This works especially well with corporate/business executives. In all cases, try to find someone with a connection to your targeted future board member.

The issue of school district participation on the board always comes up early. It can be solved only in the local context, keeping in mind that the issue is not whether school representatives serve on the board but whether they dominate it. The importance of the LEF's independence has already been stressed, thus the school superintendent should not serve as a board officer. She or he could certainly be a participant either as a board member or in an ex officio capacity. Beyond that, your local steering committee is the best judge of whether there should be further district representation from the teachers union and the school board. Remember, the LEF will be a new type of organization in your community; its appearance, particularly at the beginning, will be important.

The Resource Guide lists, by affiliation, the board of directors of three local education funds in diverse cities.

Bylaws

If a LEF is to be a separate organization, bylaws are required. They are useful as a basic operating guide even if the LEF is an adjunct of another local community organization. The simpler and less detailed the bylaws are, the better. A subcommittee of the steering committee, which includes a lawyer, should draft the organization's bylaws, and a lawyer should file articles of incorporation.

The bylaws should be discussed and adopted at the first board of directors meeting following or in conjunction with the formal election of the directors. **Bylaws are also required as part of a 501 (c) (3) application.** A 501 (c) (3) application is a request to the Internal Revenue Service for a letter of determination that clarifies the organization's nonprofit status for tax purposes. Application for a 501 (c) (3) is a necessary step for a new nonprofit organization and is best handled by a lawyer.

In the Resource Guide, the Cleveland Education Fund's bylaws are used as an example.

Committees

Bylaws usually provide for a number of standing committees. The most common are executive, finance, development, nominating, personnel, and program. Other committees such as long-range planning are often created on an ad hoc basis by the LEF president or chair as needed.

Committees serve the important purpose of dividing up the work and delegating responsibility so individual board members can focus their energies where they feel most comfortable and productive.

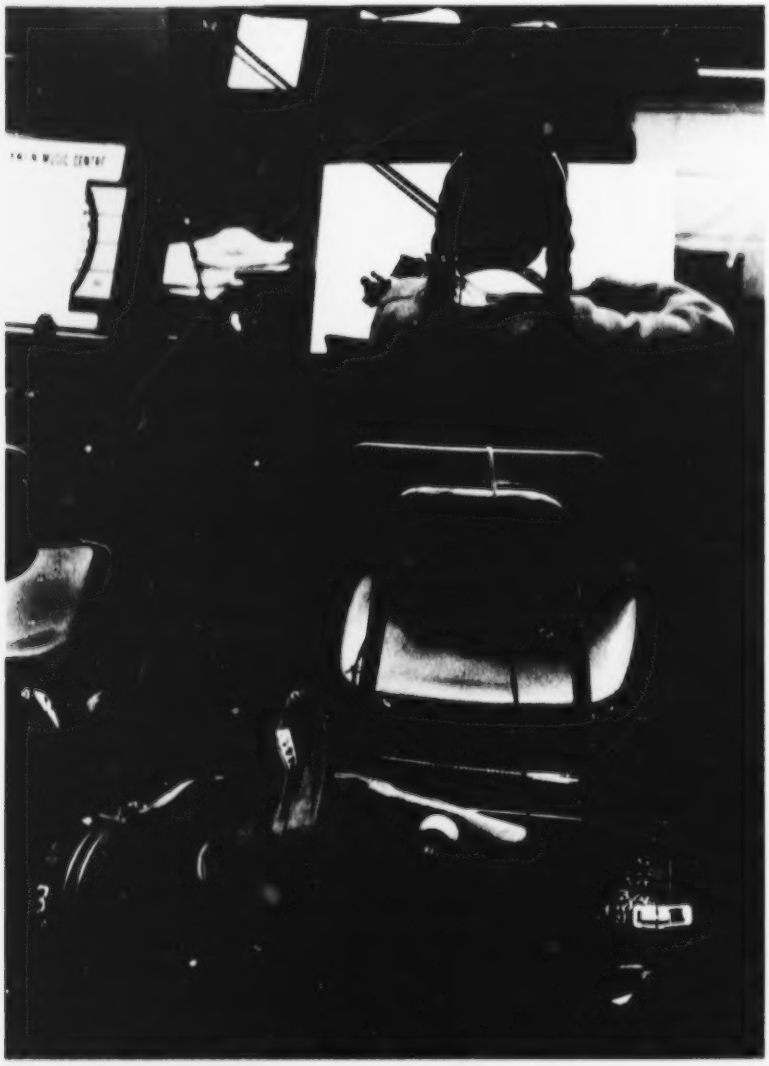
Many funds use committees to include people who are not on the board as a way of broadening involvement in the fund. This could include someone with a specific talent or expertise who has only limited availability, as well as someone you would like to interest in future board membership.

Meetings

How often the board meets is a question that must be answered locally. Experience has shown that in the early stages meeting monthly helps a board achieve a shared understanding of the LEF and consensus around its mission and objectives. Equally important, frequent meetings help to build trust among members. As diversity of background has been a goal, the directors may not know each other or may have been on different sides of issues in the past. For the LEF to succeed, trust and respect among the board members need to be developed, and that takes working together over time.

In the beginning, board members will need information about the local school system, and a training session on the role and responsibilities of a nonprofit board of directors can be useful. Tables of contents from board member manuals developed by the Oklahoma City Public School Foundation and A+ for Education, Tacoma, Washington, are included in the Resource Guide, as samples of what that tool for board education might include.

As the LEF begins to implement programs, and as the program and other committees meet more often, there may be less need for the full board to meet monthly. Quarterly board meetings with committee meetings in between might be sufficient, but meeting every two months is probably preferable.



Staff

Staff is probably the most critical component of any LEF's success, and, in the beginning, it is often the most problematic. The sound administration of any enterprise needs someone who will be responsible for the implementation of board policy and the organization's strategy. Most LEFs have at least one staff member, an executive director. Sample job descriptions for the position are included in the Resource Guide.

The issue of staffing is difficult because it requires financial resources that are sometimes hard to raise early in a new organization's life. Nonprofit organizations frequently feel timid about requesting money from the philanthropic sector for staff or operating expenses as they begin their work. This is shortsighted. For the LEF to do its job, someone must be hired to staff these functions:

- brokering new relationships between the schools and community
- implementing programs focused on school improvement
- developing the organizational identity and visibility necessary to success in securing resources

The presence of a director is essential to a LEF's achieving its organizational purpose, brokering relationships, convening disparate interests, and implementing programs in behalf of the schools. *The staff is the LEF's program and cannot be categorized as mere operating expense.*

In most communities, the director's job has turned out to be full time. A board of directors may decide in the beginning that it can afford only half-time staff. If so, that's better than no staff at all or a volunteer staff, but don't be surprised if, once the LEF gets going, the job grows into a full-time position.

Board members must realize that a half-time staff will require their more active participation, and they must set realistic expectations for their own involvement.

Staff funding needs can sometimes be met by the steering committee's looking for early contributions from organizations and institutions represented by its members in order to hire a director shortly after the board becomes operational. As corporate executives are recruited to the board, the possibility of their organizations' providing early operating grants should be considered. Finally, a local foundation or corporation might be interested in an appropriately packaged request to help underwrite the staffing costs for the development of a new private-public partnership for the local school system.

The Resource Guide lists LEFs with part-time staff.

Office

An office is less important than staff, but it is important that the LEF have a physical presence in the community. Tempting though it may be, avoid any offer of an empty office somewhere in the school system. Though often easy to come by and cheap, an office in a school is not the place to be. A LEF needs to be housed in the community. This does not mean that a LEF cannot be housed in donated space. A number of LEFs enjoy space donated by, among others,

- chambers of commerce
- utility companies
- post-secondary educational institutions
- corporations
- nonprofit agencies
- community foundations
- civic development organizations

Board members are often instrumental in brokering these arrangements, and the steering committee can explore this possibility in its early deliberations. Beyond the saving in rent, shared space has a number of advantages including shared services and cost efficiency. Donated equipment and furniture from local businesses and corporations are also cost savers.

Regardless of the specific community location of the LEF, the important message an independent location underscores is that the LEF is an accessible, visible part of the general community.

It is as an accessible, visible part of the general community that the local education fund will commence and go about the evolution of its business.

The Business of a Local Education Fund

The business of a local education fund must relate to the organization's mission and purpose. Together they define how the LEF will accomplish its goals and objectives. LEFs may vary in the specific efforts they foster, but the activities of brokering, convening, and program implementation are intrinsic to the LEF's nature as a locally created, independent, third-party, intermediary organization. Remember again that most LEFs start with specific programs, such as small grants to teachers, but they don't stop there.

Brokering

Acting as a broker — or catalyst for educational improvement — between the school and the community it serves is more than a strategy. It is the fundamental activity of a local education fund. Brokering is an entrepreneurial, opportunistic matching of need, both financial and nonfinancial, and resource.

The LEF's existence verifies that an intermediary was needed to build or broaden the base of trust between the local school district and the various sectors of the community. The LEF can help the school district understand the concerns and expectations of the community and help inform the community of the district's challenges, problems, and opportunities for involvement within the schools.

This trust-building activity between the school district and the outside world can develop into a wide range of relationships, activities, and programs limited only by opportunities.

In Worcester, Massachusetts, the local education fund, the Alliance for Education, knowing of its business leaders' unhappiness with the quality of math and science education in the schools and knowing also of a local college president's desire to become involved with the public schools, was able to combine interests to produce a collaboration to improve the quality of teaching. Now three years old, the program of teacher training in mathematics and science involves two universities, several school systems, and dozens of teachers.

When the Cleveland Press went out of business in Cleveland, Ohio, youngsters of that city lost their opportunity to participate in the National Spelling Bee. Although all that was needed was a new newspaper sponsor, the Cleveland public schools had been unable over several years to persuade the Plain Dealer to pick up sponsorship. The Cleveland Education Fund did its homework on the program's cost and its benefits to the Cleveland area and made a presentation to the Cleveland Plain Dealer. The newspaper's management became convinced of the value of such a program, and the Plain Dealer is now in its fourth year of sponsorship of the National Spelling Bee.

Beyond these specific instances, tailored to their places, LEFs have brokered

- adopt-a-school programs
- loans of corporate executives to work with the superintendent on specific issues
- community experts working in the classroom
- inclusion of district administrators in corporate management training programs

The more and better a local education fund performs as a broker, the more it will be asked to do. Because a central person is essential to the brokering function, appropriate staffing is critical.

Convening

An effective LEF is a convener as well as a broker, bringing people together, usually to discuss some idea or program. By virtue of its intermediary nature, community base, and broadly representative board of directors, the LEF has the ability to act as a forum for a variety of issues important to the schools and community. *Most LEFs don't begin as brokers or conveners; the roles evolve.* As the LEF's community success and credibility grow, so does its ability to bring disparate people together around issues, often tough ones.

The LEF provides a neutral setting where people can be informed about such important topics as school finance, desegregation, and at-risk youth. While broaching such topics may initially seem risky to all concerned, discussing them provides the school district with partners, or at least broader participation in the resolution of difficult problems.

Rochester, New York's local education fund, the Center for Educational Development (CED), worked with the Urban League on a Community Task Force on Education. The group's findings proved remarkably similar to those of a Chamber of Commerce-Industrial Management task force working at the same time. By getting together, the two groups were able to produce a "Call for Action" that contained specific recommendations to professionalize teaching, encourage parents and businesses to become involved in the schools, and provide better student services. "Call for Action" resulted in the Community Roundtable on Education, which continues to monitor and produce benefits for the public schools.

In Los Angeles, the Los Angeles Educational Partnership worked to have the Bell High School Complex, comprising four schools (elementary, junior, and high) and 11,000 students, named by the California State Department of Education as one of five model sites to research and develop strategies for the effective use of technology in education. The Bell Complex is 90% Hispanic, overcrowded, and runs year-round. It is a prototype of the future for many Los Angeles and California schools but hardly the place where one would expect a state agency to experiment with a technology-rich learning environment. The Los Angeles Educational Partnership, however, convened a working group of Bell Complex teachers and individuals from the private sector involved in technology, teacher training, and curriculum. They developed and wrote the grass-roots proposal that led to Bell's designation.

The LEF, by creating situations in which to exchange ideas, is also ideally suited to increase the knowledge and basic information the community has about the school system. Few school districts have adequate public information capabilities, and relatively few urban households have children in local public schools, so the majority of citizens have little access to accurate, first-hand information about the schools. As local media often highlight school problems rather than achievements, the general public's perception of the schools is usually poor.

The LEF can play an important role by bringing together and expanding the awareness, interest, and, ultimately, school support and involvement of

- realtors, who need accurate, up-to-date information about the schools;
- the elderly, who vote but have little or no information about the schools;
- youth-serving social service agencies, whose only contact with the schools is through the youngsters they see as clients.

Once the LEF has developed some trust and a track record, it can play the same role with corporate executives who, with lives often divided between their work in the city and a home in the suburbs, have little direct knowledge of or contact with the schools.

Before moving to the LEF's program activities, it should be noted that a LEF is not a broker/convener of all things educational. It is not the United Way of education groups.

Program Implementation

As stated earlier, the LEF's programs are not to be thought of as ends in themselves but as strategies. Programs, however, generally establish the LEF's early credibility, visibility, and track record. In considering what programs to undertake, consider the following key program questions:

- Does the program further the LEF's overall mission?
  - Does it increase community awareness, involvement, and confidence in the schools?
  - Does it improve the quality of education?
- Does the program enhance and complement the educational mission of the school district and neither diminish nor replace it?
- Does planning for the program involve
  - Appropriate school personnel?
  - LEF board and staff?
  - Community resources?
- Is the program's focus to
  - Improve classroom education?
  - Improve the quality of teaching and learning?
  - Leverage community resources into the school?
  - Build confidence in the school system?
- Is the program
  - Potentially fundable?
  - Long-term fundable?
- Does the program have equally good potential to
  - Elicit positive community regard toward the school?
  - Encourage teachers and administrators?
- Does the program attempt to move beyond a particular school or curriculum to have a broad, positive effect throughout the district?

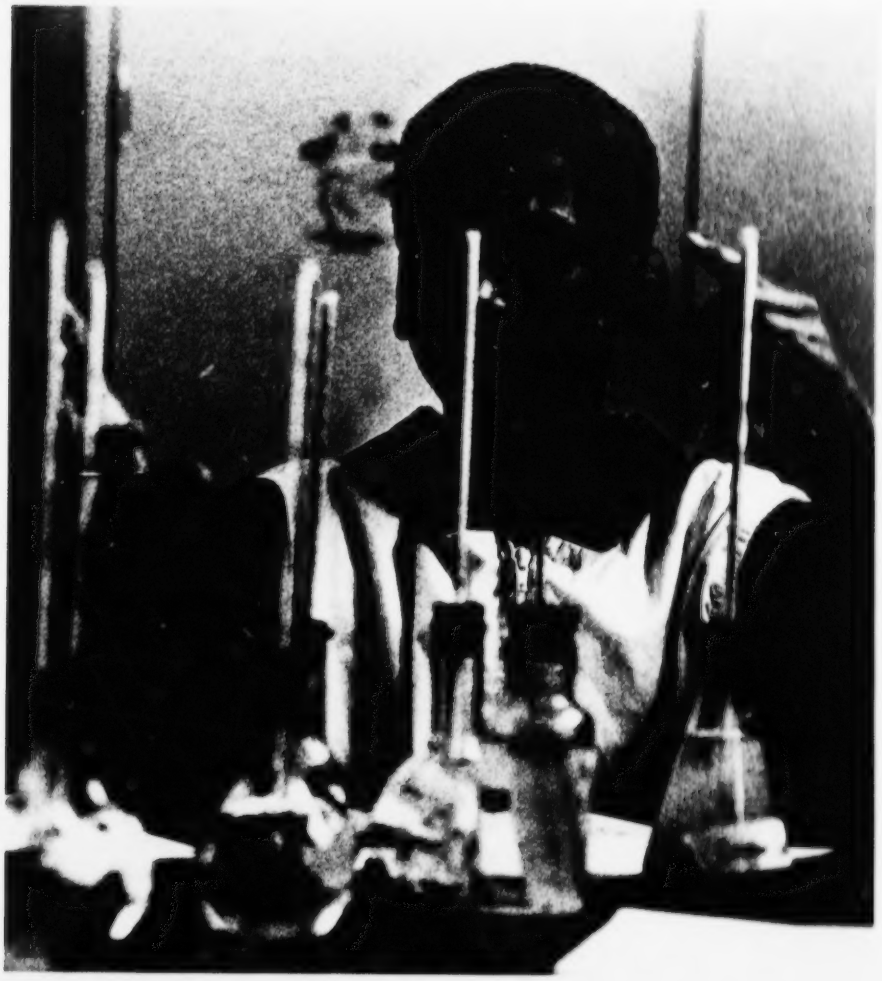
Although LEFs are not primarily in the business of program operation or grant making, these are used as strategies and catalysts to accomplish broader goals, and the above questions should be answered in connection with any program a board considers.

Small Grants

There are many programs that could be undertaken, but the small grants for teachers program, which allocates small amounts of money to teachers for individual classroom projects, has proved to be an excellent one with which to launch a fund. This program, while not the only initiative that answers the above questions positively, is one of the easiest to replicate and is guaranteed of success. It provides credibility and high visibility to the LEF, enhances teacher morale, and enables classroom teachers to initiate quality projects that benefit students and bring positive attention to the schools. The small grants program can be launched with relatively small financial resources. It allows an opportunity for community involvement and input in the grant allocation process, and it affords those without links to the schools insight into the creativity of teachers and the excitement of their ideas. For the teachers, it is probably the first time they have received this kind of community recognition for their work. Their appreciation for an opportunity to enhance the classroom experience for their students is profound.

A program of small grants also can act as a vehicle to bring new people in to the schools as visitors and can generate positive media attention for school activities.

The small grants concept can become the underlying strategy for many LEF initiatives. Raising and allocating small amounts of private sector money within schools can stimulate a great deal of activity for educational improvement. As the impetus grows, the focus can then shift to addressing other issues, such as student retention, parental involvement, or school-community communications. Small grants can be awarded in broader arenas, to principals for building-wide projects or even to the district to pilot a new program or help leverage change.



Public Information

An important program component of many LEFs is providing the public with positive, accurate information about the local schools. As we have mentioned before, the community's perception of its schools is often shaped by limited exposure to the district and little knowledge of it — or by local news stories that primarily focus on school problems. However badly needed the public information function might be, most school districts don't have the resources to assign to it and often do not see it as a priority item.

Recognizing this, many LEFs have developed a variety of public information activities as part of their program portfolio.The New York Alliance for the Public Schools has run a very successful public school awareness campaign called, "Going Public." The Los Angeles Educational Partnership has developed a public relations program for principals that includes a training manual, in-service training, and grants. Other LEF's programs include

- publication of a school district annual report
- publication of a widely distributed newsletter
- school-community involvement grant programs
- training sessions to help individual schools develop strategies to inform their immediate communities
- work with reporters and editorial boards to give them information on specific educational issues
- public information campaigns about the school district aimed at the community at large
- speakers bureaus
- community forums

LEFs have convened public relations and media professionals as a resource for public information activities. The result has been a vast improvement in district public information strategies.

The possibilities for local programs are broad and limited only by energy and resources. The LEF board should carefully review the key questions listed earlier in this section whenever it considers a new program.

Bright as the opportunities are, the program implementation role of a LEF holds some peril. There will be problems unless board and staff have clearly defined the organization's mission and goals and agreed on the specific program initiatives around which to raise funds. It is not unusual, particularly in the early stages, for a donor to approach a LEF with an offer of funds for a specific project or with a gift restricted to a specific purpose or group. The LEF may find this both tempting and flattering, but it can divert the organization's energies to a direction different from that originally intended. When such offers come, the board should consider the key questions posed earlier and the LEF's organizational capacity to implement a donor-initiated project before accepting the funds. The LEF will also need to consider the impact of the proposed project on its ability to raise general unrestricted money for its own initiatives and whether the new project is compatible with its original mission.

This is less likely to be a problem once the LEF has established credibility and a track record. At that point, when approached by interested funders with specific ideas, the LEF is likely to be able to make a better decision on such suggestions and have developed enough identity to know when and how to say no without offending potential funders.

The Resource Guide contains a list, by type, of various programs initiated by LEFs around the country.

Implicit in this discussion of the business of a LEF is the assumption that the LEF will be able to support itself and its limited grantmaking activities. The next and final section deals with initial and long-term financial support.

Funding a Local Education Fund

The question of how the LEF's initial financial resources will be raised calls for restating several points already made and some that have been implied.

- A LEF is an independent, community-based entity that seeks to engage the business and general community in support of the local public school system.
- A LEF is conceived as a stable, long-term presence that will convene diverse community interests in behalf of public schools.
- Constituency building, brokering, and convening are more central to the LEF's mission than is fund raising.
- A LEF must raise financial resources for its own general support and to implement its programs within the schools and the community.
- A LEF should not raise money from the private sector for general support of the school district or to offset lost public revenues. Nor should funds raised by LEFs for program implementation supplant public sector dollars available for those activities.
- A LEF's financial support should reflect the nature of its leadership and be as broad based as possible involving not only the organized philanthropic community but individuals, small businesses, and community events as potential sources of funds.

Early identification of resources, cash and in-kind, is important as the steering committee thinks through the new LEF's needs in terms of staffing, office requirements, and program funds. Resources are also an important consideration in assembling the board of directors. One of the primary responsibilities of most boards is fund raising. A LEF with the appropriate balance of influence and representation will find its fund raising easier.

Local corporations, businesses, and foundations are logical prospects for funding a new nonprofit organization. Not only do these groups have money, but they are sources of in-kind resources, expertise, influence, and credibility. Because such groups offer so much potential, a new LEF should involve them at the earliest stage of development, encourage appropriate representation on the board of directors, and engage them in all aspects of LEF structure and work. Such involvement usually leads to commitment; commitment almost always precedes funding.

The LEF, as a community nonprofit organization, must quickly understand its community's financial constraints and limitations because the LEF's proposed operating expenses and its program initiatives must live within its community's resources. It is important for the LEF to develop an ideal organizational budget and then compare its financial needs to those of other community nonprofit organizations and against identifiable resources.

As the demands on the charitable resources of any community are great and ever increasing, any new nonprofit group should look at agencies similar in purpose to theirs to help gauge a reasonable level of support. The reality of the competition for resources argues for the setting of realistic — perhaps conservative — goals, recognizing the potential for growth as the product proves its worth.

It is, therefore, wise to start small but solidly and develop slowly to allow the LEF's name recognition and track record to grow. It is important to consider the desired long-term nature of these public-private partnerships and effect a strategic fund-raising plan that places immediate needs in the context of multi-year goals. A broad base of financial support, built as early as possible — as opposed to reliance on two or three donors — will help ensure longevity.

There are particular challenges that face a LEF as it goes out to look for financial support. First,it is a recent phenomenon and represents a new kind of organization. Next, its purpose is to support a tax-supported institution, the public schools. It will be tough to convince potential donors, particularly in the business sector, of the appropriateness of and necessity for their involvement. Their reluctance to provide support to the public school system must be gradually overcome through demonstration of the LEF's good works.

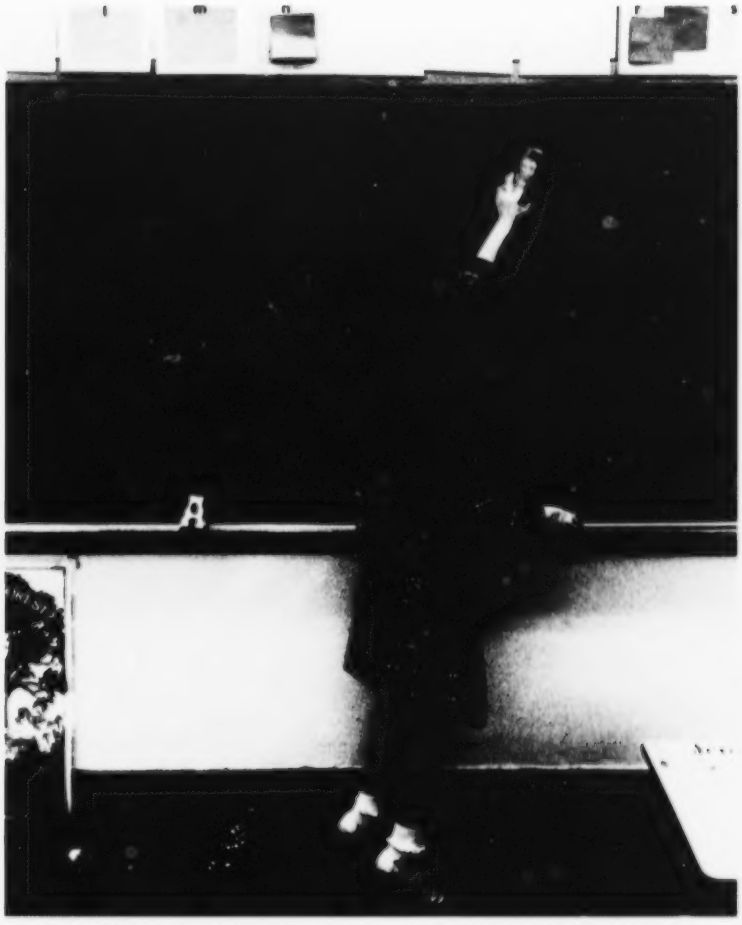
Many LEFs raise a great deal of money through special events and annual-giving campaigns. Annual-giving campaigns are not new, and they are hard work. The prospect may seem overwhelming, but an annual-giving campaign has the benefit of frequent engagement of the funding community — and that can establish stronger relationships. An annual-giving campaign also offers a yearly opportunity to inform the community about the needs, challenges and accomplishments of the public schools and the LEF.

A fund-raising bibliography, fund-raising strategies, and a list of LEF fund-raising programs are in the Resource Guide. These should help your thinking.

Planning for initial and continued financial support has a further component. The need for reliance on local community support means the LEF must develop appropriate materials to promote itself and market the work it does on behalf of the local public schools. Brochures, news stories, public service announcements, and annual reports are all good ways to establish the image and name recognition that are essential to effective fund raising. It's advisable for a LEF to include public relations as an early and integral component of its fund-raising strategy.

Specific examples of such materials from LEFs around the country are included in the Resource Guide.

Steps to Organize a Local Education Fund



1. Research and summarize information regarding existing LEFs, particularly those with school districts of similar size and demographics.
2. Convene steering committee to review material and plan organizational strategy and affiliation — include business, civic, minority, parent, and school district leadership.
3. Determine general mission and goals and type of board of directors needed to develop and carry out the program.
4. Recruit incorporators and incorporate.
5. Develop preliminary bylaws.
6. Nominate and elect board of directors.
7. Ratify mission statement, bylaws, and initial budget.
8. Apply for 501 (c) (3) status, if necessary.
9. Establish committee structure.
10. Begin detailed planning for program development and fund raising. Begin fund raising.
11. Inform community of LEF's existence, goals, and needs.
12. Develop job description and seek fund director.
13. Hire LEF director and begin programs.

Public Education Fund

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If you would like more information about the Public Education Fund Network or local education funds, or need additional copies of this Handbook or the Resource Guide, please contact:

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